_/CATE* SUBMIT IN TE Form approved. F. rm 3160-3 (1-ovember 1983) Budget Bureau No. 1004-0136 (Other instructions on reverse side) UNITED STATES (formerly 9-331C) Expires August 31, 1985 DEPARTMENT OF THE INTERIOR 5. LEASE DESIGNATION AND SERIAL NO. BUREAU OF LAND MANAGEMENT U-25190-A 6. IF INDIAN, ALLOTTER OR TRIBE NAME APPLICATION FOR PERMIT TO OR PLUG BACK DRILL DEEPEN. 1a. TYPE OF WORK 7. UNIT AGREEMENT NAME DRILL X DEEPEN [PLUG BACK b. TYPE OF WELL WELL X FARM OR LEASE NAME TIGHT HOLE OTHER 2. NAME OF OPERATOR duse Unit Ya<u>tes Petroleum Corporation</u> 3. ADDRESS OF OPERATOR 1 2 1987 FIELD AND POOL, OR WILDCAT 105 South Fourth Street - Artesia, NM 88210
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*) √ Wildcat **DIVISION OF** 1780' FNL & 1980' FEL 11. SEC. T. R., M., OR BLK. OIL, GAS & MINING At proposed prod. zone Section 27-T37S-R25E Same
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE® 12. COUNTY OR PARISH | 13. STATE Approximately /2 miles north of Hatch Trading Post

15. DISTANCE FROM PROPOSED
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig, unit line, if any)

18. DISTANCE FROM PROPOSED

19. DISTANCE FROM PROPOSED. San Tuan UT 17. NO. OF ACRES ASSIGNED TO THIS WELL 30 18. DISTANCE FROM PROPOSED LOCATION® 19. PROPOSED DEPTH 20. ROTARY OR CABLE TOOLS TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 6005 Rotary 21. ELEVATIONS (Show whether DF, RT, GR, etc.) 22. APPROX. DATE WORK WILL START* 5655 ASAP 23. PROPOSED CASING AND CEMENTING PROGRAM SIZE OF HOLE SIZE OF CABING WEIGHT PER FOOT SETTING DEPTH QUANTITY OF CEMENT Approx. 17-1/2" 13-3/8" 48# H-40 100 50 sacks " * 12-1/4" 8-5/8" 24# J-55 1800 800 sacks 5-1/2" 7-7/8" 15.5# J-55 400 sacks TD *approximately 100' into Chinle We propose to drill and test the Akah and intermediate formations. Approximately 1800' of intermediate casing will be set and cement circulated to shut off gravel and cavings. and stimulated as needed for production, Fresh water to 5500', fresh water gel to TD. MUD PROGRAM: BOP PROGRAM: BOP's will be nippled up when intermediate casing is set,

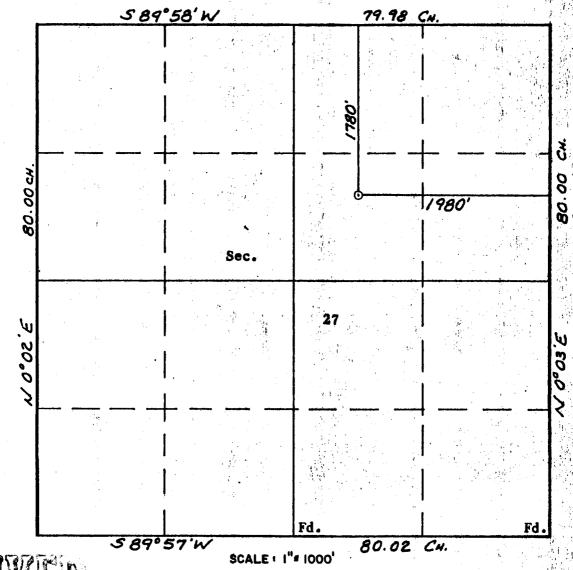
If commercial, production casing will be run and cemented with adequate cover, perforated

IN ABOVE SPACE DESCRIBE PROFOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive sone and proposed new productive If proposal is to drill or deepen directionally give pertinent data on subsurface locations and measured and true vertical deather p

preventer program, if any.			
signed Cy Cowan	TITLE _	Regulatory Agent	DATE Feb. 6, 1987
(This space for rederal or State office use)			NAME OF A TE
			BY THE STATE
PERMIT NO.		APPROVAL DATE OF UTAH	DIVISION OF
APPROVED BY	TITLE	OH GAS. A	ANDMINING
CONDITIONS OF APPROVAL, IF ANY:		DATE: 3-16	(-8/)
		84 John X	Park
		· /	G. 304
*	See Instruction	IS On Reverse Side	~·

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COMPANY _	YATES PETROI	EUM CORPORAT	ION		* 1	
LEASE	CAYUSE UNIT	Take the state of	WELL	NO	1	
SEC	27 , T		, R,		25 B	
COUNTY		a a	STATE		Utah	, , - t,
LOCATION	1780'FNL & 19	80'FEL	, .			
ELEVATION	5655					4.
				77.		



FEB 1 2 1987

DIVISION OF OIL. GAS & MINING THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL! (18466) SEAL!

WILLIAM E. MAHNKE II NEW MEXICO P.L.S. Nº 8466

SURVEYED Feb. 6,19 87

YATES PETROLEUM CORPORATION Cayuse Unit #1 1780' FNL & 1980' FEL Section 27-T37S-R25E San Juan County, Utah

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information with BLM requirements.

- 1. The geologic surface formation is the Morrison formation.
- 2. The estimated tops of geologic markers are as follows:

Morrison	Surface	Upper Ismay	5636'
Entrada	759 '	Lower Ismay	5806 '
Navajo	946 '	Upper Desert Creek	5877 '
Chinle	1693'	Lower Desert Creek	5930 '
Cutler	2598 '	Akah	5967 '
Honaker Trail	4413 '	TD	6005 '
Paradox	5478 '		

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Approximately 930'

Oil or Gas: Upper Imsay 5636'; Lower Ismay 5806'; Desert Creek 5930'

4, Proposed Cementing Program:

Surface Casing

There will be one stage of cement. Cemented with 800 sacks of Class C 2% CaCl2 (600 cubic feet of cement) circulated. Casing shoe will be set at 1800' with float equipment set at approximately 1760'.

Intermediate Casing:

There will be one stage or as warranted of cement. Cemented with enough Class C to equal 220 cubic feet or approx. 300 sacks to reach est. top at 5000'. Float collar will be set at approx. 40' above TD with casing shoe set at TD.

NOTE: SAN JUAN RESOURCE AREA WILL BE NOTIFIED ONE (1) DAY PRIOR TO RUNNING CASING STRINGS AND CEMENT.

- 5. Pressure Control Equipment: BOP's will be installed. NOTE: San Juan Resource Area will be notified one (1) day prior to pressure testing.
- 6. Mud Program: Fresh water to 5500'; fresh water gel & starch from 5500-TD with MW 8.5-9.8, Vis 35-45 & FL 10-15 cc's.

Cayuse Unit #1 Page 2:

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connectors.

8. Testing, Logging & Coring Program:

Samples:

10' samples caught out from under surface casing to TD

DST's:

Two (2) possible

Coring:

None

Logging:

DIL & CNL/LDT from TD to casing. Possible dipmeter and sonic.

9. No abnormal pressures or temperatures are anticipated.

10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company_	YATES PETROLEUM CORPORATION Well Name CAYUSE UNIT #1
Location	n: Section 27 Township 378 Range 25E
County_	San Juan State Utah Lease No. U-25190-A
	FNL, 1980' FEL
compliar and Gas responsi	se and/or unit operations will be conducted in such a manner that full nce is made with applicable laws, regulations (43 CFR 3100), Onshore Oil Order No. 1, and the approved plan of operations. The operator is fully ible for the actions of his subcontractors. A copy of these conditions furnished to the field representative to ensure compliance.
A. DRII	LLING PROGRAM:
1.	Surface Formation and Estimated Formation Tops:
2.	Estimated Depth at Which Oil, Gas, Water or Other Minerals Bearing Zones are Expected to be Encountered: Formation Zone Expected Oil Zones:
	Expected Gas Zones:
	Expected Water Zones:
	Expected Minerals Zones:
	All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.
3.	Pressure Control Equipment:

3.	\mathcal{C}	ואדיווי	UED:
J.	\sim	1777	• لنت

conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure tested before drilling casing cement plugs. The San Juan Resource Area (will/will not be notified / days before pressure testing. 4. Casing Program and Auxiliary Equipment: Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area (will will not) be notified / days before running casing strings and cement. 5. Mud Program and Circulating Medium: 6. Coring, Logging and Testing Program: Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be sumitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analysis, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. If requested, samples (cuttings, fluids and/or gases) will be submitted to the District Manager. 7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

BOP systems will be consistent with API RP 53. Pressure tests will be

8. Anticipated Starting Dates and Notifications of Operations:

The operator will contact the San Juan Resource Area at 801-587-2001, 48 hours before beginning any dirt work.

No location will be constructed or moved, no well will be plugged and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent within 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on From 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM District Office, P. O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (From 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration.

Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: The following may be inspected and/or witnessed:

- 1. The cementing and testing of surface casing and testing BOP's.
- 2. (Dry Hole) Setting and testing of surface casing shoe plug.
- 3. (Depleted Producer) The setting and testing of plugs across the producing horizon and if applicable the surface casing shoe plug and/or annulus (Casing to formation) squeeze jobs.

Notify the San Juan Resource Area (Mike Wade) one day or on dry hole as soon as possible prior to the above at 801-587-2201 (Home 801-587-2026 or if unable to reach Mike, call Moab District Office Greg Noble at 801-259-6111 (Home) 801-259-8811.

B. THIRTEEN POINT SURFACE USE PLAN

1.	Existing	Roads:
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Α.	Location of proposed well in relation to town or other reference point:
	Approximately 12 miles north of Hatch Trading Post
в.	Proposed route to location: Refer to Exhibit A
C.	Plans for improvement and/or maintenance of existing roads: County
	maintained road. Existing and new access will be maintained in good or better condition. The maximum total disturbed width will be feet.
D.	An encroachment permit will be obtained from the San Juan County Road Department, 801-587-2231, ext. 43.
Ε.	Other: Row for Road Will be
	Obtained from BLM ACROSS
	Sec 34

PLANNED ACCESS ROADS The maximum total disturbed width will be 25 (width) feet. B. Maximum grade: 10% or less C. Turnouts: As needed D. Location (centerline): Flagged E. Drainage: As needed F. Surface Materials: Native _____ G. Other: If well is drilled during wet weather conditions, surfacing materials may be required. Each fence which is crossed by the road will be braced as shown in Enclosure No. l, and tied off before cutting to prevent slackening of the wire. A gate or cattlequard which must be approved by BIM, will be installed. If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure 1. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager. The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road. The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells: See One-Mile radius map. Exhibit E is enclosed.

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be WWDER Greek

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

All off-lease storage, off-lease measurement, or commingling on-lease or offlease will have prior written approval from the District Manager.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. LOCATION AND TYPE OF WATER SUPPLY

ALL	water	needed	for	drilling	purposes	will	be	obtained	from:	<u>Private</u>	source.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface management agency to use the land containing the water source.

6. SOURCE OF CONSTRUCTION MATERIALS

Pad construction material will be obtained from: Federal surface. Location	<u>n</u>
--	----------

The use of materials under BIM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (will/will not) be located on lease.

7. METHODS OF HANDLING WASTE DISPOSAL

NATIVE CLAY Will The reserve pit (**/*//will not) be lines with semmercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling in completed. The fence will be kept in good repair while the pit is drving.

7. CONTINUED:

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contact the San Juan County Sheriff in Monticello, Utah.

Produced waste water will be confined to a (lined/walined) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. ANCTLLARY FACTLETTES						
	3	ישידיייי	EVCTI	NDV	ANCTLE	8.

Camp :	facilities	(₩###/will not)	be required.	They will be located:	N/A
--------	------------	-----------------	--------------	-----------------------	-----

9.

WELL SITE LAYOUT
The reserve pit will be located: See Exhibit C South West
The top 3-4 inches of soil material will be removed from the location and stockpiled separate from the trees on the South side. Topsoil along the access will be reserved in place.
Access to the well pad will be from: South

10. RECLAMATION

- Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- B. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- C. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- D. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
 - The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped / inches deep with the contour.
- F. Water bars will be built as follows to control erosion.

10. CONTINUED

11.

12.

	GR	ADE	SPACING			
		4% 5%	every 200 feet every 100 feet every 75 feet every 50 feet			
G.	prescript	be broadcast between October 1 a tion. A harrow or similar implement seed cover.	and February 28 with the following ent will be dragged over the area			
		lbs/acre Indian ricegrass (Oryzo	opsis hymenoides)			
	4	lbs/acre Galleta (Hilaria jamesi	<u>.i</u>)			
		lbs/acre crested wheatgrass (Agr	copyron desertorum)			
	4	lbs/acre Western wheatgrass (Agr	copyron smithii)			
	L	lbs/acre Alkali sacaton (Sporobo	olus airodies)			
		lbs/acre Sand dropseed (Sporobol	us cryptandrus)			
		lbs/acre Fourwing saltbush (Atri	plex canenscens)			
	i	lbs/acre Shadscale (Atriplex cor	nfertifolia)			
		lbs/acre Green ephedra (Ephedra	viridis)			
		lbs/acre Cliffrose (Cowania mexi	cana)			
		lbs/acre Desert bitterbrush (Pur	shia glandulosa)			
		lbs/acre Winterfat (Eurotia lana	ata)			
•		lbs/acre Globemallow (Sphaeralce	ea ambigua)			
		lbs/acre Wild sunflower (Heliant	hus annuus)			
		lbs/acre				
н.		eding is complete, the stockpiled disturbed areas. The access will				
I. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.						
Suri	face Owner	ship: Federal surface				
Mine	erals Owne	ership: Federal minerals				
Otho	er Informa	tion:				

12. CONTINUED:

There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.2.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed druing construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaelogical sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.

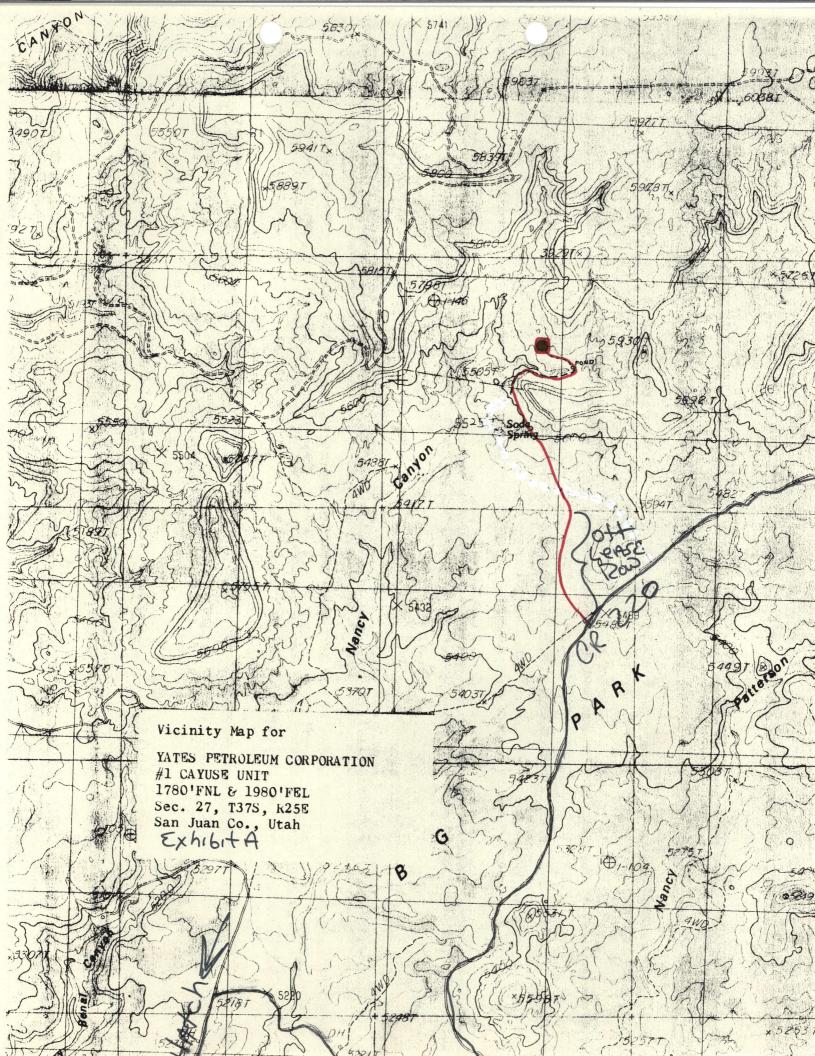
	Your contact with the	District Office is:							
	Office Phone:	Address:							
Resource Area Manager's address and contacts: Address:									
	Your contact is:								
	Office Phone:								
13.	LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION Representative:								
	Name:	Yates Petroleum Corporation							
	Address:	105 South Fourth St Artesia, NM 88210							
	Phone No.	505-748-1471							

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by <u>Yates Petroleum Corporation</u> and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date

Cy Covan
Regulatory Agent



YATES PETROLEUM CORPORATION
#1 CAYUSE UNIT
1780'FNL & 1980'FEL
Sec. 27, T37S, R25E
San Juan Co., Utah

Exhibit B

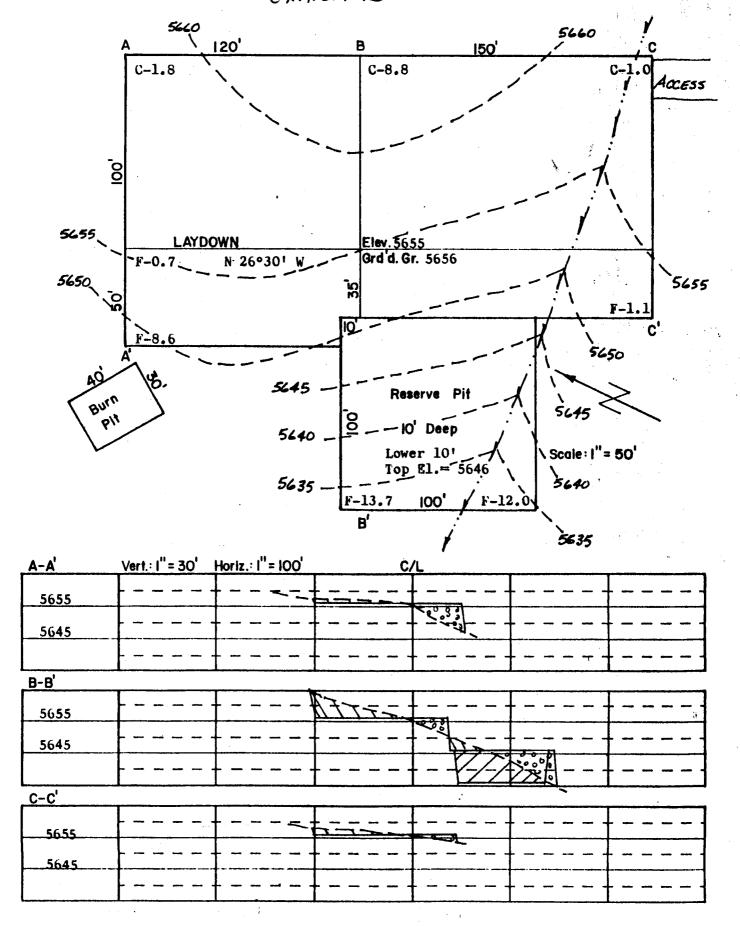
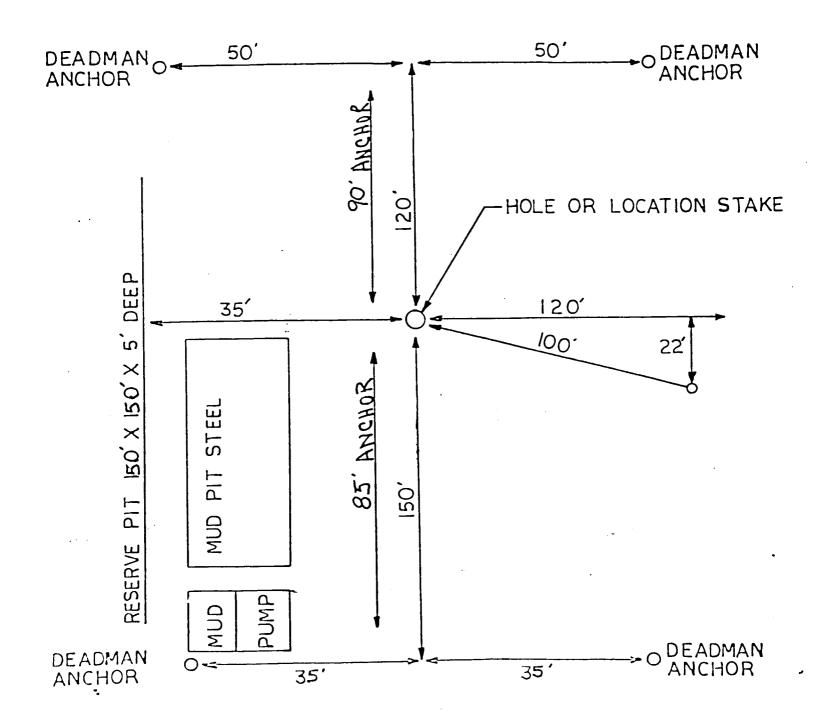


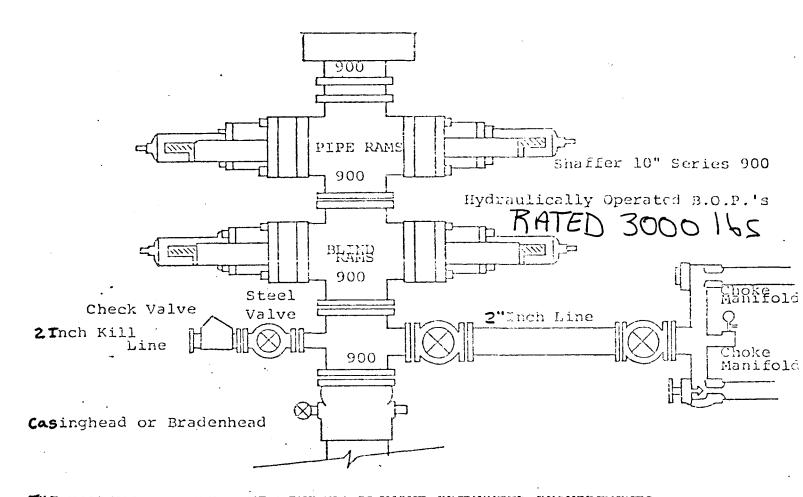
Exhibit C

COLEMAN DRILLING CO

FRONT OF RIG NO. 3



EXHIBITD



THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

- 1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
- 2. Choke outlet to be a minimum of 2" diameter.
- 3. Kill line to be of all steel construction of 2" minimum diameter.
- 4. All connections from operating manifolds to preventers to be all steel, hole or tube a minimum of one inch in diameter.
- 5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
- 6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
- 7. Inside blowout preventer to be available on rig floor.
- 8. Operating controls located a safe distance from the rig floor.
- 9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
- 10. D. P. float must be installed and used below zone of first gas intrusion.

021923-APB

OPERATOR With Retiolium	I Comp!	DATE	2-1287
WELL NAME Cayne #1	<i></i>		
OPERATOR Julian Retisleum WELL NAME Congres 4/ SEC SW/NE 27 T 375 R	<i>35E</i> co	OUNTY San	Juan
43-037-3/307 API NUMBER		TYPE OF LE	ASE
CHECK OFF:			
PLAT	ВОИД		NEAREST WELL
LEASE	FIELD		V POTASH OR OIL SHALE
PROCESSING COMMENTS: Moother wells in See Med water gumt	<u> </u>		
APPROVAL LETTER:			
SPACING: 203 UNIT		30	2
CAUSE NO.	& DATE	30	2.1
STIPULATIONS: 1 - Water			
		· · · · · · · · · · · · · · · · · · ·	



355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

February 13, 1987

Yates Petroleum Corporation 105 South Fourth Street Artesia, New Mexico 88210

Gentlemen:

Re: Cayuse #1 - SW NE Sec. 27, T. 37S, R. 25E 1780' FNL, 1980' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

- Spudding notification to the Division within 24 hours after drilling operations commence.
- 2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
- Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
- 4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Yates Petroleum Corporation
Cayuse #1
February 13, 1987

- 5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
- 6. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31307.

Sincerely,

TITTI

Associate Director, Oil & Gas

as

Enclosures

cc: Branch of Fluid Minerals

D. R. Nielson

8159T

Form 3160-3 • (November 1983) (formerly 9-331C)

UNITED STATES DEPARTMENT OF THE INTERIOR

SUBMIT IN TI .CATE*

(Other instructions on reverse side)

Form approved. Budget Bureau No. 1004-0136 Expires August 31, 1985

(.0	DEPARTMEN	T OF THE INT	ERIOR		5. LEASE DESIGNATION	AND SERIAL NO.	
	BUREAU OF	LAND MANAGEM	IENT		U-25190-	A	
	N FOR PERMIT	TO DRILL, DE	PEN, OR PLUG I	BACK	6. IF INDIAN, ALLOTTER	OR TRIBE NAME	
	ILL X	DEEPEN 🗆	PLUG BA	CK 🗌	7. UNIT AGREEMENT N	AND	
WELL LXI W	AS OTHER	TIGHT HOLE	SINGLE MULTIZONE ZONE	ore 🗌	S. FARM OR LEASE NAM	(B	
2. NAME OF OPERATOR					Cayuse Unit		
Yates Petrol	<u>eum Corporation</u>	1			9. WELL NO.		
3. ADDRESS OF OPERATOR	•				10. FIELD AND POOL, O	- WILDOW	
105 South Fo	urth Street - A	Artesia, NM 88	3210		ĺ	E WILDCAT	
	FNI. & 1980' FI		y batte requirements.		Wildcat		
2,00					11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA		
At proposed prod. zor	ne				0 - 4 27 m2	70 D250	
Same Same	Section 27-T37S-R25E						
	. 10 - 10		ddaa Daab		San Juan	UT	
15. DISTANCE FROM PROP	y /2 miles north	<u> of Hatch Irac</u> 16.	NO. OF ACRES IN LEASE		F ACRES ASSIGNED	1 01	
LOCATION TO NEAREST	LINE, FT.		560	TOT	HIS WELL 80		
18. DISTANCE FROM PROD		19.	PROPOSED DEPTH	20. ROTA	ARY OR CABLE TOOLS		
TO NEAREST WELL, DON APPLIED FOR, ON TH		Rotary .					
21. ELEVATIONS (Show wh	ether DF, RT, GR, etc.)				22. APPROX. DATE WO	RE WILL START*	
					ASAP		
23.		PROPOSED CASING	AND CEMENTING PROGR	AM			
SIZE OF HOLE	SIZE OF HOLE SIZE OF CASING WEIGHT PER FO				QUANTITY OF CEMEN	т	
17-1/2"	13-3/8"	48# H−40	Approx. 100'	50	sacks		
12-1/4"	8-5/8"	24# J-55	 '' ★ 1800	800	sacks		
7-7/8"	5-1/2"	15.5# J-55	TD	400	0 sacks		
		-	•	•			
					1		

FEB 17 1987

DIVISION OF OIL. GAS & MINING

APPROVAL

zone. If proposal is to drill or deepen directi preventer program, if any. 24. SIGNED		Regulatory Agent	DATE Feb. 6, 1987
(This space for Pederal or State office use)			
PERMIT NO.		APPROVAL DATE	
Kenneth V. Rhea	TITLE	Acting district makaser	FD > 3 1001
APPROVED BY CONDITIONS OF APPROVAL, IF ANY:	CONDITIONS	S.OF APPROVAL ATTACH	HED)
FLARING CHIEF-IN			9
GAS IS SUBJECT OF NTL 4-A		SUB	BJECIT TO RIGHT OF WAY

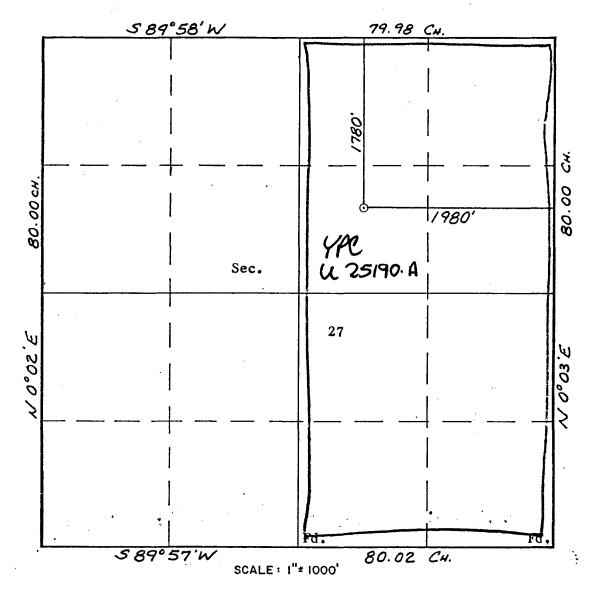
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false. fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Hateos Hos Dosin

DATED 1/1/80

COMPANY _	YATES	PETROLE	UM CORPOR	RATION		_
LEASE	CAYUSE	UNIT		WELL NO.	_1	
SEC	27	, T	37, S	, R	25 E	
COUNTY	San Jua	ın		STATE	Utah	
LOCATION	1780'F	NL & 198	O'FEL			_
ELEVATION	5655					



THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

SEAL:

WILLIAM E. MAHNKE II

NEW MEXICO P.L.S. Nº 8466

SURVEYED Feb. 6 ,19 87

Yates Petroleum Corporation Well No. Cayuse Unit 1 Sec. 27, T. 37 S., R. 25 E. San Juan County, Utah Lease U-25190-A

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

A. DRILLING PROGRAM

Ram preventer will be tested to 70% of working pressure.

Annular preventer will be tested to 50% of working pressure.

The Application for Permit to Drill (APD) will be rescinded if the well is not spudded by February 17, 1986.

If production in paying quantities is not established by March 8, 198%,7 the lease will expire and all drilling operations will cease.

The BLM District Office will be notified 12 hours prior to any testing operations intended to show the productivity of the well, in order to have a representative present to witness the test.

021922

DIVISION OF OIL, GAS AND MINII	DI۱	VISION	0F	OIL.	GAS	AND	MININ
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										· · · ·		•	7.

API #43-037-31307

NAME OF COMPANY:	YATES PE	TROLEUM	Í				
WELL NAME:							
SECTION SW NE 27 TOWNSHIP	37S	RANGE_	25E	COUNTY_	SAN JUAN		
DRILLING CONTRACTOR	COLEMAN		· · · · · · · · · · · · · · · · · · ·				
RIG #3							
SPUDDED: DATE 2-17-87							
TIME 6:30 PM							
HOW Rotary							
DRILLING WILL COMMENCE	· · · · · · · · · · · · · · · · · · ·						
REPORTED BY Cy Cowan							
TELEPHONE #							
DATE 2-17-87			SIGNED_	AS			



FILING FOR WATER IN THE 03112#21833 STATE OF UTAH

Rec. by Fee Paid \$ 15.00

Platted ____

Microfilmed ____ Roll # _____

DIVISION OF OIL, GAS & MINING

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah. 43.037.31307

WATER USER CLAIM NO. 09 - 1506

APPLICATION NO. T62300

1. PRIORITY OF RIGHT: February 23, 1987

FILING DATE: February 23, 1987

2. OWNER INFORMATION

Name: Yates Petroleum Corporation Address: 105 South Fourth Street, Artesia, NM 88210 The land is not owned by the applicant(s), see explanatory.

3. QUANTITY OF WATER: 5.0 acre feet (Ac. Ft.)

4. SOURCE: Artesian Well DRAINAGE: San Juan River

POINT(S) OF DIVERSION:

COUNTY: San Juan

(1) N. 50 feet, W. 480 feet, from the El Corner of Section 12, Township 38 S, Range 24 E, SLB&M Description of Diverting Works: 8 inch diameter well 506 ft.

COMMON DESCRIPTION: 7.5 mi. No. Hatch Trading Post

5. NATURE AND PERIOD OF USE

Oil Exploration From February 17 to February 17.

6. PURPOSE AND EXTENT OF USE

Oil Exploratio: Oil Well Drilling

7. PLACE OF USE

The water is us	ed in all or	parts of ea	ch of the	following lega	ıl subdivis	ions.
l No	orth East Quarte	r North W	Vest Quarter	South West	Quarter	South East Quarter
TOWN RANGE SEC NET	NW SW SE	NET NWT	SW1 SE1	NET NWT SW	SET NE	1 NW1 SW1 SE1
37 S 25 E 27	X					

All locations in Salt Lake Base and Meridian

EXPLANATORY

** (11) *

Minerals are owned by Federal Government, surface owned by Richard Perkins. The well to be drilled is the Cayuse Unit #1.

Appropriate

The applicant hereby acknowledges he/they are a citizen(s) of the United States or intends to become such a citizen.

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described.

The undersigned hereby acknowledges that even though he/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained therein, at the time of fliing, rests with the applicant(s).

Signature of Applicant

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AGENTAL OF BLAFASS CHS

CONTR. Can Juna

STAR HORE, AND STAR OF



STATE ENGINEER'S ENDORSEMENT

DIVISION OF OIL. GAS & MINING

WATER RIGHT NUMBER: 09 - 1506

APPLICATION NO. T62300

1. February 23, 1987 App

Application received by MP.

2. February 23, 1987

Application designated for APPROVAL by MP and SG.

3. Comments:

Conditions:

This application is hereby APPROVED, dated March 6, 1987, subject to prior rights and this application will expire on March 6, 1988.

Robert L. Morgan, P.E.

State Engineer

Form 3160-4 (November 1983) (formerly 9-330)

UNITED STATES

SUBMIT IN DUPLICA's.

PLICA's Expires Au

Budget	Bureau No.	1004-013
Expires	August 31,	1985

•	 DESIGNATION			
	DESIGNATION	AND	NERIAI.	N

Form approved.

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

(See Giver Instructions on reverse side)

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3.	ľ	INDIA	'n	₹°7	, J	* * *	186	NAME

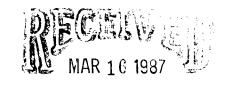
WELL CO	MPLET	ION (OR RECO	OMPLETI	ON	REPORT	ANI	LOG	*	6. IF INDIAN	03°	230 TRIBE NAME	
1a. TYPE OF WE	LL:	OIL WELL	GAS WELL	D DI	RY X	Other	A&			7. I'NIT AGR			
b. TYPE OF CO													
WELL,	OVER _	BN DEEL-	BACK	DIFF REST		Other				S. FARM OR LEASE NAME			
2. NAME OF OPERA		_	_			1 S. S. M. ANDRE 1944				Cayuse Unit			
Yates Pe		Corp	oration		- (1)	DEA		L 1/2		9. WELL NO	•	-	
105 Sout	h /th S	St. A:	rtesia.	NM 8821	0 1		1.78 E. 17. 1	e da		10 FIELD A	ND POO	L. OR WILDCAT	
4. LOCATION OF WE	CI.L. (Report	location	clearly and is	n accordance	wing	A State Magni	rengen 4	027	<u> </u>	Wilde	a t		
At surface 1	780' FN	IL & 19	980' FEL	ı	Card to		TOI	301	TV		R., M.,	OR BLOCK AND SURVEY	
At top prod. in	terval repo	rted below	,			DIVIS	SION	OF \	1 C	J 011 111.01			
At total depth OIL, GAS & MINING Section 27-T37S-R25E								-T37S-R25E					
_				14. PE	RMIT NO).	DATE I	SSUED		12. COUNTY	OR	13. STATE	
				APT #	43-03	37-31307				PARISH San Ji	ıan	Utah	
5. DATE SPUDDED	16. DATE	T.D. REAC	HED 17. D	ATE COMPL. (Ready		3. ELEV.	ATIONS (DF.	RKB, RT	r, GR, ETC.)*		BLEV. CASINGHEAD	
2-17-87		27-87		Dry				56551 23. INTER	GR_		<u> </u>		
20. TOTAL DEPTH, MD	& TVD	21. PLUG. 1	BACK T.D., MD	22.	HOW !	LTIPLE COMPL MANY®	"	DRILLI		ROTARY TOO)LS	CABLE TOOLS	
5998 Telegraphic States 1998 Telegraphic	RVAL(S), OI	THIS CO	MI'LETION-T	OP, BOTTOM,	NAME (MD AND TVD)	•		<u> </u>	X	25	. WAS DIRECTIONAL	
						•			١.	07		SURVEY MADE	
	Dr	• -	,					reci	مااردل	, O,		No	
6. TYPE ELECTRIC Borehole				i tho_De	neitz	Company	ated	-			27. W	AS WELL CORED	
	Compens					<u>_</u>			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	111]	No	
S. CASINO SIZE	WEIGH	T, LB./FT.		SING RECO		port all string	s set in		TING R	ECORD		AMOUNT PULLED	
13-3/8"	_	.5#	80			17-1/2"	1	25 sv /	147	5 cu ft		AMOUNT POLICED	
8-5/8"	32			00'	17-1/2" 125 sx (147.5 cu ft) 12-1/4" 1060 sx (1250.8 cu ft)								
				 			<u> </u>				-		
9.			NER RECOR			1	-	30.		BING REC			
812E	TOP (MD		OTTOM (MD)	SACKS CE	MENT	SCREEN (M	(D)	SIZE	- - -	EPTH SET (M	(D)	PACKER SET (MD)	
							-		- +				
1. PERFORATION RE	cord (Inter	val, size	and number)			32.	ACI	D, SHOT.	BACT	RE CEMEN	T SQU	EEZE, ETC.	
						DEPTH IN	TERVAL	(MD)	AMO	UNT AND KIR	D OF	MÁTERIAL USED	
								-					
3.*					PRO	DUCTION							
ATE FIRST PRODUCT	rion	PRODUCT	ION METHOD	(Flowing, go	ia lift, p	umping—size	and ty	pe of pump)		STATU t-in)	B (Producing or	
ATE OF TEST	HOURS T	ESTED	CHOKE SIZ		FOR PERIOD	OIL-BBL.	1	GASMCF.		WATER-BB		GAS-OIL RATIO	
LOW. TUBING PRESS.	CASING P	RESSURE	CALCULATE 24-HOUR R		18T	GAS-	MCF.	w	ATER	HBL.	OIL G	RAVITY-API (CORR.)	
4. DISPOSITION OF	AS (Sold, u	sed for fu	el, vented, etc	;.)			,			TEST WITNE	SED B	¥	
	-		··	· · · · · · · · · · · · · · · · · · ·				· · · · · · · · · · · · · · · · · · ·					
5. LIST OF ATTACH	_												
6. I hereby certify	Logs	oregoing	Rd attached	information	is com	plete and corr	ect as	determined	from a	ll available	ecorda		
1 ,	•		7			_				u-unavit i			
SIGNED (anu	105/	Inolle	() TIT	LE Pr	coduction	ı Sup	ervisor	•	DAT	c :	3-11-87	

TOP TRUE MEAS. DEPTH VERT. DEPTH	766 957 1715 2650 4418 5478 5634 5792 Creek 5928 5966 5966	MAR 16 1987 DIVISION OF OIL, CAS & MINING
NAME	Entrada Navajo Chinle Cutler Honaker Trail Paradox Upper Ismay Lower Ismay Up Desert Creek Lwr Desert Cree	
DESCRIPTION, CONTENTS, ETC.		
BOTTOM		
ТОР		
FORMATION		

(b)



STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING 3 TRIAD CENTER, SUITE 350 SALT LAKE CITY, UT 84180-1203



DIVISION OF OIL, GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name	e & Numbe	r CAYUSI	UNIT #1					
Operator_	Yates P	etroleum Con	poration	_Address_	105 Sout	h 4th St.,	Artesia,	NM 88210
Contracto	or Cole	man Drilling	g Co.	_Address_F	0 Dr. 333	37, Farming	ton, NM 87	499
Location_	SW 1/	4 NE 1/4	Sec. 27	T. 37S	R. 25E	County	San Juan	
Water Sar	nds							
	Depth		Volume	<u>2</u>		Quality		
F	rom	Το	Flow Rate	or Head	F	resh or Sa	lty	
1	ENCOUNT	ERED NO WATE	R DRILLING W	ELL.			· · · · · · · · · · · · · · · · · · ·	
2	WELL HA	S BEEN PLUGO	GED.					
3							 	
•								
5	<u> </u>	(Continue	on reverse s	side if ned	cessary)		 	
Formation	Tops							
Remarks								
NOTE: (a		rt on this f ervation Ger	`orm as provi eral Rules.	ded for in	n Rule 80	6, Oil and	Gas	

If a water analysis has been made of the above reported zone,

please forward a copy along with this form.

Form 3160-5 (November 1983) (Formerly 9-331)	U ED ST DEPARTMENT OF T BUREAU OF LAND		SUBMIT IN TR' \TE* (Other instructic ,4 reverse side)	Budget Bureau N Expires August C 5. LEASE DESIGNATION A U-25190-A	31, 1985
(Do not use this	IDRY NOTICES AND form for proposals to drill or to use "APPLICATION FOR PER	REPORTS ON		6. IF INDIAN, ALLOTTEE 0407	10
OIL X GAS WELL X WELL 2. NAME OF OPERATOR	OTHER			7. UNIT AGREEMENT NAMES S. FARM OR LEASE NAMES	
Yates Petro	Leum Corporation	•		Cayuse Unit	·
4. LOCATION OF WELL (See also space 17 be At surface	ourth Street - Artes Report location clearly and in accommod to the second seco		<u> </u>	10. FIRLD AND POOL, OR Wildcat 11. SMC, T. S., M., OR BL SURVEY OR ARMA	K. AND
14. PERMIT NO. 43- 037.	31307	S (Show whether DF, RT, C	G WINISION OF DII. GAS & MINING	Section 27-T37 12. COUNTY OF PARISH San Juan	
16.	Check Appropriate Box	To Indicate Natu	re of Notice, Report, or O	ther Data	
This well w Plug #1: Plug #2: Plug #3: Pits will b	ABANDON® CHANGE PLANS R COMPLETED OPERATIONS (Clearly f well is directionally drilled, giv as plugged and aband	oned on Febru 125 sacks of 45 sacks of 35 saeks of	WATER SHUT-OFF FRACTURE TREATMENT SHOOTING OR ACIDIZING (Other) (Note: Report results Completion or Recompletals, and give pertinent dates, and measured and true vertical ary 28, 1987 as fol Class "B" Class "G" Class "B"	l depths for all markers	a Well a.) of starting any and zones perti-
SIGNED 4	the colegoing is true and corrections of State office use)		gulatory Agent	DATE March	5, 1987
APPROVED BYCONDITIONS OF A	PPROVAL, IF ANY:	TITLE	OF U	TED BY THE STAH DIVISION BAS, AND MINI	OF
Tiola 18 11 5 C C.	1001		BY: John	K. Daya	nov of N

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

COMPANY: VATES JETROLEUM	UT ACCOUNT # N7400 SUSF	ENSE DATE: 4-15-87
	TELEBUONE CONTACT DOCUMENTATION	
	TELEPHONE CONTACT DOCUMENTATION	
CONTACT NAME: (OWAL)	Juanita Goodinia	
CONTACT TELEPHONE NO.: 1-505 -	-748-1471 (ARTESIA, NM)	
SUBJECT: completed as I	Ory Holo" g alcandonnent proceedure	CATUSE #1
and me notice	a alandonment	4303731307
to nevile date	a spaceduse	375 25 2 27
The specify said	processing	10年7月1日
	(Use attachments if necessary)	
DECLUTE.		
RESULTS: Juanula mult	send plugging natio	
<i>/</i>	· · · · · · · · · · · · · · · · · · ·	
	(Use attachments if necessary)	
CONTACTED BY: 1/C		
DATE: 4-1-87		